

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333

IN RE:

Thomas D. Renison

CONSENT ORDER
COR-11-7846

This is an order of the Securities Administrator issued under 32 M.R.S. § 16604 of the Maine Uniform Securities Act (the "Act") with the consent of Thomas D. Renison ("Renison"). Renison neither admits nor denies the Findings of Facts and Conclusions of Law set forth below, but agrees to the entry of this Consent Order, agrees that it shall have the same effect as an order issued after hearing, and waives his right to a hearing and to judicial review. Renison further agrees that he shall be precluded from disputing the Findings of Fact and Conclusions of Law as set forth herein in any other adjudicatory proceeding in the State of Maine.

I. FINDINGS OF FACT

1. Renison (CRD #1863759) is a Connecticut resident whose address is 58 Old Farms Road, South Glastonbury, CT 06073.
2. Renison was licensed in Maine as a sales representative or agent of a broker-dealer from 1990 until May 21, 2008, except for short periods of times associated with changes in his broker-dealer affiliation.
3. The license records of the Maine Bureau of Insurance show Renison held a Maine nonresident producer insurance license (#PRN53880) from February 25, 1998, until September 5, 2012.
4. On or about August 29, 2006, a 77-year-old retired Maine resident ("Maine resident") retained Renison as his securities agent. On that date, Renison and the Maine resident completed a new account form in which the Maine resident's risk tolerance was described as "low." Renison continued as the Maine resident's agent until May 21, 2008, at which point Renison ceased to be licensed as an agent in Maine.

5. On May 27, 2008, Renison and a friend, Peter DiRosa ("DiRosa"), traveled to Maine from Connecticut to the home of the Maine resident for the specific purpose of soliciting the Maine resident to invest \$600,000 in an investment that, according to Renison's representation to the Maine resident, was going to make "real money."
6. At the meeting, Renison and DiRosa described the new investment to the Maine resident and provided the Maine resident with a prospectus for the development of a resort in Hungary. The prospectus, entitled "The Castle at Polgardi, Hungary, Hotel, Casino, Golf Club and Spa," purported to provide information about the Castle at Polgardi project and was intended to induce prospective investors to invest in the project.
7. The prospectus represented that a number of prominent individuals served on the advisory board of the Castle at Polgardi project.
8. In reality, the advisory board referenced in the prospectus did not exist, and several of the individuals who were listed as members of the advisory board have denied any involvement with the Castle at Polgardi project.
9. The prospectus represented that Renison was a board member and part of the "Key Management" of the Castle at Polgardi project. The prospectus described Renison as being "[r]esponsible for investments and all related project financial matters."
10. Renison later admitted under oath that he had no such involvement in the Castle at Polgardi project.
11. In describing Renison's qualifications, the prospectus represented that Renison "manages over 100 million dollars of his clients [*sic*] money."
12. However, at the time that Renison gave the Maine resident the prospectus, Renison was not licensed to manage money for clients. Moreover, at that time Renison had no basis for believing that he had ever managed assets of 100 million dollars. He disclosed neither of these facts to the Maine resident.
13. To fund an investment in the Castle at Polgardi project, Renison recommended to the Maine resident that he withdraw funds from a variable annuity Renison had sold him just two years earlier and loan the funds to Castle Lodge, LLC, a New York-based limited liability company.
14. On May 27, 2008, Renison signed a promissory note on behalf of Castle Lodge, LLC, promising the Maine resident that he would receive a return of his initial investment of \$600,000 plus an additional \$400,000 within six months.

15. On May 29, 2008, the paperwork was completed to effect the withdrawal of funds from the Maine resident's variable annuity.
16. The Maine resident withdrew a total of \$652,301.87 from his variable annuity. Of that total, \$600,000 was wired to Hungary for investment in the Castle Lodge investment. The remaining \$52,301.87 was used to pay the penalty incurred by the Maine resident for the early withdrawal of funds from the variable annuity.
17. After six months the Maine resident did not receive the promised return of his initial investment of \$600,000 or the additional \$400,000 he had been promised.
18. To date, the Maine resident has received a total of \$60,000 back from his \$600,000 Castle Lodge investment.
19. The Maine resident has obtained a judgment for \$1,445,801.80 plus interest and costs in the Maine Superior Court for York County against Renison and another individual in connection with the investment.
20. At the time of the investment made by the Maine resident, the Castle Lodge investment was not registered as a security in Maine.
21. At the time of the investment by the Maine resident, Renison was not licensed as a broker-dealer or agent in Maine.

II. CONCLUSIONS OF LAW

22. It is unlawful to offer or sell a security in Maine unless the security is registered; the security, transaction or offer is exempt from registration; or the security is a federal covered security. 32 M.R.S. § 16301.
23. The Castle Lodge investment that Renison offered and sold to the Maine resident was both a note and an investment contract, two types of securities as defined by 32 M.R.S. § 16102(28).
24. The Castle Lodge investment was neither exempt from registration nor a federal covered security; and the transaction in which it was sold was not exempt from registration.
25. By offering and selling the unregistered Castle Lodge security, Renison violated 32 M.R.S. § 16301.

26. It is unlawful to transact business as a broker-dealer or an agent of a broker-dealer or issuer unless licensed or exempt from licensing. 32 M.R.S. §§ 16401, 16402.
27. At the time of the Castle Lodge transaction, Renison was not exempt from licensing.
28. By offering and selling the Castle Lodge security without a broker-dealer or agent license, Renison violated 32 M.R.S. §§ 16401, 16402.
29. It is unlawful for a person, in connection with the offer or sale of a security, to make an untrue statement of material fact or to omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading. 32 M.R.S. § 16501(2).
30. When Renison provided the prospectus to the Maine resident representing that the project had an advisory board comprised of specified prominent members, Renison made an untrue statement of material fact in violation of § 16501(2).
31. When Renison provided the prospectus to the Maine resident representing that Renison held a key management position "[r]esponsible for investments and all related project financial matters," Renison made a second untrue statement of material fact in violation of § 16501(2).
32. When Renison provided the prospectus to the Maine resident representing that Renison managed over 100 million dollars in client assets without disclosing that Renison was not licensed to manage money and had no basis for believing that he had ever managed assets of 100 million dollars, Renison failed to disclose all material facts necessary to avoid misleading the Maine resident and thus committed a third violation of § 16501(2).
33. As set forth above, Renison has committed at least five violations of the Maine Uniform Securities Act.
34. Discipline here is in the public interest because it will protect Maine investors by deterring future misconduct by Renison and others and will foster public confidence in the securities industry.


III. ORDER

1. Renison shall be barred from associating with any issuer, broker-dealer or investment adviser in Maine.


2. In lieu of a civil penalty, Renison shall pay \$25,000 in restitution to the Maine resident by installments, with the first payment of \$1,000 to be paid via cashier's check made payable to "Treasurer, State of Maine" and due at the time Renison returns the Consent Order containing his signature to the Office of Securities. The remainder of the payments are to be made in 24 monthly installments of \$1,000. Each payment subsequent to the first will be due by the first day of each subsequent month, and all payments are to be made via cashier's check made payable to "Treasurer, State of Maine" and delivered on or before the due date at the Office of Securities, which shall distribute the funds to the Maine resident.
3. If Renison fails to make restitution payments as set forth above, all remaining restitution payments become immediately due and payable.
4. Except as set forth above, the Securities Administrator agrees to take no action adverse to Renison based solely on the same conduct addressed in this Consent Order. However, nothing in this Consent Orders shall preclude the Securities Administrator from: (a) taking adverse action based at least in part on the other conduct; (b) taking this Consent Order and the conduct described above into account in determining the proper resolution of action based on other conduct; or (c) taking any and all available steps to enforce this Consent Order.

Renison, by signing below, neither admits nor denies the Findings of Fact or Conclusions of Law, agrees to the entry of this Consent Order, agrees that it shall have the same effect as an order issued after hearing, waives any right to a hearing and to judicial review, and agrees that he shall be precluded from disputing the Findings of Fact and Conclusions of Law as set forth herein in any adjudicatory proceeding in the State of Maine.

Date: 10/18/12


Thomas D. Renison

Date: 10/22/12


Judith M. Shaw
Securities Administrator